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June 13, 2023

Ms. Linda Bridwell
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: Atmos Energy Corporation:
Case No. 2022-00222

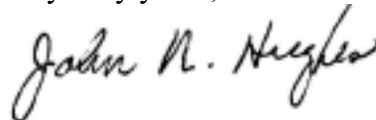
Dear Ms. Bridwell:

Atmos Energy Corporation submits its Petition for Rehearing.

I certify that the electronic filing is a complete and accurate copy of the original documents to be filed in this matter and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

If you have any questions about this matter, please contact me.

Very truly yours,



John N. Hughes

And

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Attorneys for Atmos Energy
Corporation

COMMONWEALTH OF KENTUCKY BEFORE
THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

Electronic Application of Atmos)
Energy Corporation to Establish PRP) Case No. 2022-00222
Rider Rates for the Twelve Month)
Period Beginning October 1, 2022)

ATMOS ENERGY CORPORATION'S PETITION FOR
REHEARING

Atmos Energy Corporation ("Atmos Energy" or "Company"), by counsel, pursuant to KRS 278.400, moves for rehearing of the final order dated May 25, 2023 ("Order") in its filing under its Pipeline Replacement Program ("PRP") seeking clarification on the implementation of certain aspects of the Order. Rehearing is sought solely on the Commission's decision regarding the denial of the Company's prior-period true-up.

1. Reconsideration for prior-period true-up of PRP

The Company's request for reconsideration is solely related to whether it is proper for the Commission to deny the prior-period true-up associated with the Company's PRP filing in the above-styled case. In the Order, the Commission denied the Company's prior-period true-up for the following reason:

Atmos proposed to true-up its PRP projects expenditures from fiscal year 2021, October 2020 through September 2021, which includes a project cost true-up and a revenue recovery true-up. In Case No. 2021-00214, the PRP

was rolled into base rates and reset to \$0 through September 2022. The Commission has consistently prohibited true-up for amounts rolled into base rates, when explicitly addressed. Further, where a specific balancing adjustment is not addressed when a PRP is rolled into base rates, it is reasonable to find that the balancing adjustment, or deferral, has been eliminated, because the existing PRP rate has been eliminated and reestablished, generally, as here, with different terms and conditions. Thus, the Commission finds that the prior-period true-up should be denied, which will reduce the revenue requirement by \$337,481. However, if parties can conclude that existing balancing adjustments should survive a roll-in, then they can propose or raise the issue in the base rate case in which the true-up is rolled in.¹

The Company requests that the Commission reconsider this denial of the prior-period true-up.

The Company's request for rehearing is consistent with the Company's prior PRP filings and the Commission's Orders in those proceedings. The Commission's past precedent in the Company's prior PRP filings show that balancing adjustments in the Company's PRP filings following base rate implementations have been approved by this Commission. The Company's PRP Program has been approved for more than a decade, beginning in Case No. 2009-00354.² Since the beginning of the Company's PRP filings with the Commission, the Company has filed five additional base rate cases. These cases are: Case No. 2013-00148,³ Case No. 2015-00343,⁴ Case No. 2017-00349,⁵ Case No. 2018-00281,⁶ and Case No. 2021-00214.⁷ In the Company's PRP

¹ Final Order, p. 13.

² *In the Matter of: Application of Atmos Energy Corporation for an Adjustment of Rates*, Case No. 2009-00354, Order (Ky. P.S.C., May 28, 2010).

³ *In the Matter of: Application of Atmos Energy Corporation for an Adjustment of Rates and Tariff Modifications*, Case No. 2013-00148, Order (Ky. P.S.C., Apr. 24, 2014).

⁴ *In the Matter of: Application of Atmos Energy Corporation for an Adjustment of Rates and Tariff Modifications*, Case No. 2015-00243, Order (Ky. P.S.C., Dec. 5, 2019).

⁵ *In the Matter of: Electronic Application of Atmos Energy Corporation for an Adjustment of Rates and Tariff Modifications*, Case No. 2017-00349, Order (Ky. P.S.C., May 3, 2018).

⁶ *In the Matter of: Electronic Application of Atmos Energy Corporation for an Adjustment of Rates*, Case No. 2018-00281, Order (Ky. P.S.C., May 7, 2019).

⁷ *In the Matter of: Electronic Application of Atmos Energy Corporation for an Adjustment of Rates*, Case No. 2021-

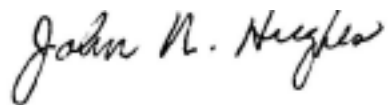
filings following the 2013, 2015, 2017, and 2018 cases the Company has consistently included a balancing adjustment in its filings, and these balancing adjustments have been reviewed and approved by the Commission. In the Company's instance, the Commission's past precedent has consistently allowed prior-period true-ups for PRP amounts rolled into base rates and the Company respectfully requests that this precedent be applied to this prior-period true-up.

Finally, the Company also notes there is still an outstanding petition for clarification in Case No. 2021-00214, which specifically seeks clarification on the Company's PRP true-up in that proceeding. That issue chiefly concerns the manner in which the Company should proceed with collection of the PRP revenue between the period of October 1, 2021, and May 19, 2022, which was not addressed in the 2021-00214 Final Order. In particular, in that issue the Company is requesting that the Commission clarify through rehearing that it may set the approved annual rate to seek recovery in its August 1, 2023 PRP filing, to be implemented October 1, 2024, and to recover the revenue difference through the approved "true-up" provision within its PRP filings and tariff. The Company only notes this outstanding issue here in this instant petition for rehearing to denote that it has explicitly addressed true-up components in its last base rate case and believes that the prior-period true-up it is seeking in this Case is consistent with the prior Orders of the Commission.

00214, Order (Ky. P.S.C., May 19, 2022).

Submitted by:

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A handwritten signature in black ink that reads "John N. Hughes". The signature is written in a cursive style with a large initial "J" and "H".

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